

Item Number 8
Supporting Document 3
Attachment B
Northeast Mission Bay Wetland
Restoration SEP Proposal
October 14, 2020

CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
SAN DIEGO REGION

REVISED PROJECT APPLICATION FORM

Name of Project: Northeast Mission Bay Wetland Restoration
Project Applicant: City of San Diego
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Northeast Mission Bay Wetland Restoration

Problem Statement:

The City of San Diego (City) proposes a multipronged and phased approach to further the goals of environmental restoration and protection in northeast Mission Bay. Restoration of wetland habitat in the northeast corner of Mission Bay and lower Rose Creek will improve water quality and is a key environmental priority of the Mission Bay Park Master Plan. With the proposed SEP, the City plans to expand program planning efforts, environmental review, project level studies, technical analysis, data collection, and will implement habitat restoration and enhancement in the Kendall-Frost Marsh Reserve/Northern Wildlife Preserve (KFR/NWP). Together the proposed SEP promotes restoration of aquatic ecosystems in accordance with R9-2015-0041 and furthers recovery of streams, wetlands, and riparian systems in accordance with the San Diego Water Board's Practical Vision.

Wetlands are important for the protection of Mission Bay's natural resources, including several threatened and endangered species, for water quality improvements and for providing a buffer against rising sea levels. Until the mid-20th century, Mission Bay was mostly wetlands and tidal flats. Since then, most of these wetlands have been lost to coastal development, dredging and landform modifications within the bay and re-routing of the San Diego River for flood control. However, the City has been committed to wetland restoration in the project area for over 20 years starting with the Mission Bay Park Master Plan in the 1990s. Comprehensive wetland and aquatic habitat creation and restoration requires a number of steps to be taken by the City and its community partners. The City has already undertaken initial steps in planning for Mission Bay wetland restoration, and this SEP would provide additional planning, environmental review, and technical studies needed to realize the habitat restoration in northeast Mission Bay and lower Rose Creek. This SEP also includes habitat restoration at KFR/NWP that can be completed prior to the finalization of land use documents and the Mission Bay Park Improvements Environmental Impact Report (EIR).

As envisioned in the Mission Bay Park Master Plan, the City's future planning includes the creation of additional wetlands, expanded marshlands and transition zone native habitat in areas east and west of Rose Creek in its draft De Anza Cove Amendment. The City has initiated the California Environmental Quality Act (CEQA) process for the De Anza Cove Amendment with a proposed project that revitalizes the De Anza Cove area with a mixture of uses, including the creation and restoration of coastal wetlands. This SEP will fund the inclusion of an additional project alternative in the land use Program Environmental Impact Report (PEIR) that would expand habitat restoration opportunities east of Rose Creek. The inclusion of an expanded wetland project alternative in this PEIR gives City decision makers the opportunity to consider in depth the scope and scale of future wetland restoration in northeast Mission Bay.

The City has also initiated technical studies and shoreline improvements and restoration design for the Mission Bay Park Improvement Zone. The northeast portion of the bay is included in the scope for the Rose Creek Preliminary Engineering Report (PER). This report will design wetland restoration up to the 30% level. The Rose Creek PER will be used to prepare a project level PEIR that will enable future implementation of bay improvements including improvements to lower Rose Creek and its entry into Mission Bay. This SEP proposes to add additional environmental technical studies to what the City is already doing: to provide more specific data, to investigate design options that would maximize ecological functions, to improve water quality and to evaluate non-traditional shoreline treatments to aid advanced design and to inform restoration engineering.

Incorporation of additional study and technical information into the two City processes described above will help realize the ecosystem benefits associated with wetland and marshland habitat restoration. Both the De Anza Cove Amendment and the Mission Bay Park Improvement Plan are required milestones in the approval of land redevelopment and the ultimate restoration of wetland habitats in Mission Bay.

To complement planning efforts with immediate environmental outcomes, the habitat enhancement proposed for KFR/NWP will improve the function and value of native habitats with the removal of debris (concrete and asphalt chunks, trash and debris, old fencing), removal of exotic invasive species and site-specific seeding and planting with appropriate native species.

The work proposed herein will realize the goals of the Mission Bay Park Master Plan to:

- *Mission Bay Park should be planned, designed, and managed for long-term environmental health. The highest water quality; sustained bio-diversity; ongoing education and research; and the reduction of traffic noise, and air pollution should all be priorities. The Park's natural resources should be conserved and enhanced not only to reflect environmental values, but also for aesthetic and recreational benefits.*
- *Key environmental recommendations include the establishment of an 80-acre wetland area at the outfall of Rose Creek... If properly designed, the wetland will help filter pollutants entering the Bay through Rose Creek, which drains a 58-square mile area, provide increased habitat for wildlife along the Pacific Coast Flyway, and provide the setting for nature-oriented recreational activities such as bird-watching and canoeing.*

The scope of this SEP is a collaboration between multiple City departments including Public Works, Parks and Recreation, Planning, Public Utilities Department, and the University of California at KFR/NMR. The SEP will contribute to studies that are necessary to implement restoration in the bay and produce benefits that are commonly desired by the City, community, environmental organizations and wildlife agencies to restore and enhance estuarine habitat in Mission Bay.

Project Location:

The project area is located in the northeast corner of Mission Bay Park in the City of San Diego, (Figure 1, Vicinity Map and Figure 2, Project Map). The project location includes areas within the scope of the draft De Anza Cove Amendment, including the Campland on the Bay area, De Anza Cove, and lower Rose Creek and the Kendall-Frost Marsh Reserve/Northern Wildlife Preserve (KFR/NWP).

Northeastern Mission Bay is within a 1-mile radius of four disadvantaged communities and two severely disadvantaged communities (Figure 3, DAC map). Mission Bay Park is a regional park that supports millions of local visitors in addition to hosting tourists and hundreds of special events annually.

Mission Bay provides free public access and free parking year-round for many uses including picnicking, lawn and water sports, on-water activities like sailing, paddle boarding and kayaking, running, walking, and cycling on paths and trails and bird watching. Uses are supported with maintained landscaping and lawns, trash removal, boat docks and launching facilities, restrooms, showers, developed play areas, natural areas, ranger services and lifeguards. Mission Bay sees over 15 million visitors annually.

Mission Bay Park is the largest aquatic park of its kind in the country. It consists of over 4,235 acres in roughly equal parts land and water. Mission Bay boasts 27 miles of shoreline, 19 of which are sandy beaches with eight locations designated as official swimming areas. There are almost 14 miles of bike/walking paths along Mission Bay.

Environmental Benefits of the Project:

Although the City has initiated planning efforts for wetland restoration in Mission Bay, additional resources are needed to 1) expedite the implementation of restoration, 2) include the possibility of an expanded area of restored wetlands with associated transitional zones and uplands and 3) realize immediate environmental benefits through implementation of a smaller scale restoration effort for KFR/NWP. This project provides resources that will supplement the CEQA analysis and provide the technical details and planning support needed to design, permit and construct the restoration. Additional technical studies will improve the level of information incorporated into these planning and design processes for a more robust and technically comprehensive restoration project. Without these additional technical studies, the restoration design will use traditional methods and best available information, losing the opportunity to pursue non-traditional shoreline stabilization

methods and missing an opportunity to obtain more robust bay-wide information that will maximize water quality improvements.

Environmental benefits of project implementation include facilitating an advanced timeline, possible expansion of restored and created estuarine and buffer habitats, improved water quality, shoreline stabilization, carbon sequestration, resilience to climate change, and additional wildlife habitat. The project would also have numerous community benefits with new opportunities for education, recreation, and access to natural habitat shoreline areas.

The implementation portion of the project involving habitat enhancement in KFR/NWP would benefit several sensitive species known to occur in the area including Ridgway's rail (*Rallus obsoletus levipes*), Forster's tern (*Sterna forsteri*) and Belding's savannah sparrow (*Passerculus sandwichensis*). Removal of exotic and invasive plant species will have an immediate benefit to the Bay by providing areas for native habitat restoration and establishment and by preventing the spread of invasive species into nearby native habitat areas. Improvements to perimeter fencing will prevent trampling of sensitive resources, expand the contiguous area available for wetland habitat and high tide refuge, keep additional trash and debris out of the wetlands and provide an opportunity for educational signage.

Together, the proposed SEP would result in improvements to key beneficial uses (BUs) in an area where these uses are most critical. The work proposed benefits recreational BUs (REC-1 and REC-2) by improving water quality and community access and education in an area that is highly frequented for its recreational opportunities but is also subject to frequent advisories due to poor water quality. The City Parks and Recreation Department estimates 14 million people visited Mission Bay parks and beaches in 2014. The project also benefits ecosystem health BUs (EST, WILD, RARE, and MIGR) by enhancing and expanding critical wetland habitat for sensitive species. Mission Bay is also a key area for fishing (COMM, SHELL); by improving water quality and incorporating transitional habitat for climate change resiliency, the ultimate restoration will support future fish and shellfish propagation.

Additionally, the Clean Water Act Section 303(d) list of impaired water bodies identifies Mission Bay at the mouth of Rose Creek as being impaired for eutrophication and lead from upstream sources, and Mission Bay at De Anza Cove is listed as impaired for *Enterococcus*, fecal coliform and total coliform. The work proposed has the potential to improve Mission Bay's natural assimilative capacity to filter these pollutants and improve water quality.

The restoration of wetlands in Mission Bay provides a unique opportunity to reclaim areas of development and restore coastal wetlands that will provide numerous benefits such as sea level rise resiliency, water quality improvements and enhancement of native plant and animal populations. A wetland restoration project of this size and magnitude with significant environmental and community benefits is of special interest to numerous stakeholders including federal and state agencies, non-profit organizations, the City of San Diego and the visitors and residents of San Diego County. This project supports an evolving perspective on the value of coastal wetlands; transitioning from an entirely recreation focused resource value to a mixed-use resource that reclaims lost wetland areas and provides a cleaner, safer and more environmentally

enriching experience that reflects the progressive values of San Diego and our long-term commitments to natural resources in the future.

Work Plan containing tasks and deliverables:

This scope of work includes 3 major elements:

1. Additional analysis and study of an expanded restoration alternative for the PEIR being prepared for the De Anza Cove Amendment for the Mission Bay Park Master Plan
2. Technical Studies to supplement the Mission Bay Park Improvement Plan PEIR and Rose Creek Preliminary Engineering Report
3. Planning and implementation of native habitat enhancement and restoration in Kendall Frost Reserve

1. Addition of Project Alternative to De Anza Cove Amendment PEIR

This element of the SEP would include additional environmental review and consideration of an expanded restoration alternative into the De Anza Cove Amendment PEIR. The Mission Bay Park Master Plan was approved in 1994 and provides a policy framework to guide development in Mission Bay (https://www.sandiego.gov/sites/default/files/mb_park_master_plan.pdf).

The fundamental goal of the plan is to guide the continued development of the park which will sustain the diversity and quality of recreation and protect and enhance the Bay's environment for future generations. The plan identifies ways to balance providing public recreation and the sustainable management of environmental resources. Key recommendations in the Master Plan include water quality improvements, creation of wetlands, increase in park size, additional recreational opportunities, incorporation of natural recreation areas, wildlife habitat improvements, and access improvements including bicycle and pedestrian paths.

The City initiated a Program EIR for the De Anza Cove Amendment to the Mission Bay Park Master Plan (<https://www.sandiego.gov/planning/programs/parkplanning/deanza>). The proposed project includes a revitalization of the De Anza Cove area and includes guest housing, water quality improvements, creation of additional wetlands, hydraulic improvements for marsh viability, trails, viewing areas and other passive recreational features. Input has been received from numerous stakeholders on the scope of future improvements in the Amendment study area. The De Anza Cove Amendment was initiated in June of 2018 and is currently on hold. This SEP would allow the Planning Department to continue working on the De Anza Cove Amendment PEIR and add a detailed analysis of an expanded restoration alternative within the Program EIR. The expanded restoration alternative would increase the acres of wetlands and associated transitional zones and uplands to be created and restored in Northeastern Mission Bay, converting the southern portion of the De Anza 'boot' and the De Anza Bay to wetlands. The expanded wetland alternative would maximize implementable wetland restoration reflective of existing feasibility

studies for Mission Bay and will provide diverse beneficial uses. This alternative would result in the establishment of 80 acres of additional functional wetlands (low-mid-high wetland/salt marsh and mudflats), in addition to the Kendall-Frost Marsh/Northern Wildlife Preserve, at the Year 2100 based on current models utilized by the City for sea level rise projections.

This additional analysis will include all necessary technical studies, analysis of potential impacts, and feasible mitigation framework. The scope of the PEIR analysis being conducted currently includes a primary proposed project, a no project alternative, and multiple CEQA alternatives. The addition of an expanded restoration project alternative into the PEIR provides an additional option for the San Diego City Council to consider during the public hearing for EIR adoption. The current De Anza Amendment includes multiple alternatives that are studied as a comparable environmental impact analysis as is required by CEQA. This SEP proposes an alternatives analysis that goes above and beyond the requirements of CEQA by studying the expanded wetlands alternative to the same level of detail as the City's proposed project.

When California became a state in 1850, it acquired all rights, titles, and interests in the tidal and submerged lands and the beds of navigable waterways within its borders, holding them in trust for public benefit. The state granted public trust lands to the City in 1945, with a variety of requirements and restrictions attached including public access and fishing rights. Mission Bay must be managed to provide public recreational access and use. The City is required to balance the needs of multiple stakeholders and incorporate a variety of mixed uses. Restoration alternatives that eliminate or minimize shoreline/beach/water access would need to be thoroughly evaluated for adherence with the public trust doctrine.

The inclusion of an additional alternative and delivery of a Draft and Final PEIR will be complete within 24-36 months. Upon completion, and within 36 months, the De Anza Cove Amendment will go to the City of San Diego Planning Commission for hearing.

2. Additional Technical Studies for Mission Bay Park Improvements Project

This element of the SEP proposes a number of technical studies, data collection, and surveys for Mission Bay. The Mission Bay Park Improvement Fund is used for the restoration of wetlands and wildlife habitat, as well as deferred maintenance projects within the Mission Bay Park Improvement Zone consistent with the Mission Bay Park Master Plan. The Mission Bay Park Improvements Project includes projects that have been identified as a priority and include water quality improvement projects throughout Mission Bay, a sea wall project, habitat expansion, deferred maintenance projects, park facility improvements and a comprehensive Bay-wide signage plan. These priority projects are included in the proposed Mission Bay Park Improvements Project Program Environmental Impact Report (PEIR). A portion of the original scope of the Mission Bay Park Improvements Project PEIR includes a 30% concept level wetland restoration design for the northeast portion of Mission Bay and lower Rose Creek areas. The 30% concept level design, referred to as a Preliminary Engineering Report (PER), creates enough of a baseline project to analyze potential California Environmental Quality Act (CEQA) issues effectively. This SEP includes additional technical studies not currently planned to better inform the restoration design and Mission Bay Park Improvement components. These technical additions will help expedite the timeline for construction of wetlands in the Bay. Deliverables include technical reports with

increased detail and additional feasibility analysis. The additional work discussed below would allow for continued/improved understanding of the conditions at an increased level of precision to A) allow for next level design detail beyond that anticipated in the existing scope, and B) provide the City and the public with better, more useful information for future improvements to this area. All of the technical studies will support either the proposed project or the additional expanded restoration alternative (item #1 above) from the De Anza Cove Amendment to the Mission Bay Park Master Plan PEIR. As the technical studies are completed and the City prepares the Mission Bay Park Improvement EIR, updates will be provided on the Public Works Department webpage. Technical reports will be made available when finalized and during the draft PEIR comment period.

Additional Technical Studies for Mission Bay Park Improvements Project

Task	Goal	Cost
Wave, Current, and Tide Study	Identify tidal amplitudes, current velocity, and wave height at Rose Creek and De Anza Cove. Results will inform shoreline armoring, tidal channel sizing, and habitat elevations. This would provide much greater detail than that provided by the AdH model being used for the entire Mission Bay. This model was calibrated using actual tide data collected in Mission Bay and is far superior to the modeling done for any existing evaluations of the project area. That modeling was done for approximations, whereas this modeling is done for precision. This exercise would benefit both alternatives of the De Anza Cove Amendment by identifying precisely which areas are subjected to the most energy. The modeling would better account for energy in maximizing water quality improvements and restoration design success.	\$214,700
Particle Dispersion Study	This task will inform the dispersion coefficient for hydraulic modeling, enabling more accurate results and better estimates of residence time in Mission Bay in order to precisely demonstrate and predict sediment dispersion and contaminants dispersion. The AdH model is the best and most current model for Mission Bay-wide circulation analyses. This exercise would benefit both alternatives of the De Anza Cove Amendment by identifying precisely the dispersal behavior of particles and contaminants. The study would better account for contaminants and sedimentation to maximize water quality improvements and restoration design success.	\$226,000
Oyster Restoration Feasibility Report	Investigate the feasibility of oyster restoration in Mission Bay. Oyster reefs will be placed to create hard shoreline protections to reduce erosion. Additionally, the oyster reefs will create water quality improvements benefits through bio-filtration.	\$90,405

	This study will determine the feasibility of incorporating oyster reefs as shoreline protection and quantify water quality benefits from biofiltration.	
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3. Habitat Enhancement/Restoration in Kendall Frost Reserve (KFR)/Northern Wildlife Preserve (NWP)

This component includes habitat enhancement and restoration in the KFR/NWP area. This includes the preparation of a detailed technical work plan, right of entry permissions, environmental review and permitting, implementation, and a 12-18-month maintenance and monitoring period. The KFR is owned and managed with limited resources by the University of California's Natural Reserve System. Land to the south of KFR is owned and managed by the City of San Diego Parks and Recreation Department. Staff onsite have identified a number of urgently needed enhancement and restoration efforts that would be implemented by this project. A Community Restoration Grant has been approved for the San Diego Audubon Society and Urban Corps to do some habitat restoration in KFR; these funds are limited and not sufficient to complete the restoration needed. This SEP would supplement work being done by volunteers and work being done by the grantee, which is primarily to be used for pepper tree removal near Crown Point Villas. Figure 4 constitutes a preliminary restoration plan that identifies habitat areas to be targeted. The scope of the enhancement/restoration is anticipated to be simple and straight forward, eliminating the need for comprehensive engineering design. Debris onsite will be removed (old fencing, landscape debris, concrete pieces and blocks, and asphalt) and hauled to an approved disposal facility. Targeted removal of invasive plant species (including ice plant, Mexican fan palm, mustard, tocalote, devils thorn, and pepper trees) with installation of native marsh, transitional and upland seed and container plants will provide immediate benefits to the Bay. Planting and seeding with natives will be focused in approximately 2.2 acres identified as restoration on the attached figure (Figure 4) in transitional and upland areas. These areas are heavily disturbed and are dominated by invasive species (over 50% cover). Planting and seeding is necessary to establish native habitat and prevent erosion following removal of invasive plants. Salt marsh habitat in the KFR/NWP is in good condition; with a proposed targeted removal of trash and invasive species for an overall enhancement of approximately 15 acres of native marsh to be achieved. The KFR area is not part of the ongoing planning efforts of the De Anza Cove Amendment and work could be initiated immediately upon approval of the settlement agreement. None of the KFR/NWP work areas proposed by this SEP would be affected by future restoration efforts in the Bay and are excluded from current planning efforts.

This enhancement effort would include biological and ecological monitoring to track the success of the exotic plant control and native plant introduction during implementation and, at a minimum, 12 months post implementation.

Implementation of native habitat enhancement and restoration in KFR/NWP would include the following tasks as shown in the attached plan (Figure 4):

- Removal of old fence debris from the boundary with a City-owned parcel south of Pacific Beach Drive in the northeast corner of the preserve.

- Removal of visible asphalt and concrete debris from the area near the UCSD trailer at the northwest corner of the site.
- Removal of approximately 980 linear feet of existing fence from wetland habitat and reinstallation of fence outside of the wetlands along Crown Point Drive between Lamont Street and Crown Point Condominiums.
- Repair approximately 800 linear feet of existing damaged and deteriorated fencing on City lands north of Crown Point Park.
- Installation of pedestrian gates for land management access along the new and existing (repaired) fences along Crown Point Drive.
- Installation of educational/interpretive signs along Crown Point Drive.
- Removal/treatment of target exotic species (identified during pre-implementation technical surveys) throughout the preserve.
- Supplemental restoration to treat pepper tree re-sprouts and encourage establishment of native habitat on the transitional slope east of Crown Point Condominiums.
- Removal of iceplant and installation of native marsh species along transitional slope east of Crown Point Drive.
- Soil testing of proposed planted areas
- Installation of irrigation, native plants, and seeds in the habitat restoration areas identified in Figure 4.

Target Non-Native Species for Removal	
Common Name	Scientific Name
Wild oat	<i>Avena</i> sp.
Mustard	<i>Brassica</i> sp.
Hottentot fig	<i>Carpobrotus edulis</i>
Tocalote	<i>Centaurea melitensis</i>
Jade	<i>Crassula</i> sp.
Devils thorn	<i>Emex spinosa</i>
Crown daisy	<i>Glebionis coronaria</i>
English ivy	<i>Hedera helix</i>
Iceplant	<i>Mesembryanthemum</i> spp.
Russian thistle	<i>Salsola</i> sp.
Brazilian pepper	<i>Schinus terebinthifolia</i>
Mexican fan palm	<i>Washingtonia robusta</i>

Once native habitat enhancement and restoration have been implemented, the site will be monitored for 12-18 months post-installation and will include the following activities:

- Site inspections by a qualified biologist (quarterly or as needed) to determine plant cover, composition and diversity, including avian use and other fauna observations
- Photo documentation of each visit.

- Report on status, deficiencies, and recommendations after each visit provided to the City and maintenance contractor.

The native habitat enhancement and restoration areas will be maintained for at least 12 months, and up to 18 months, post-installation on an as-needed basis. Maintenance activities that can be expected based on site conditions and the results of monitoring observations include:

- Treatment/removal of target non-native species.
- Removal of trash and debris.
- Irrigation system maintenance and repair.
- Fence maintenance and repair.
- Other maintenance issues as directed by monitoring reports.

At the end of the maintenance and monitoring period, the enhancement and restoration areas shall meet the following success standards:

- Enhancement areas shall not exceed 5% cover of target non-native species.
- Restoration areas shall not exceed 5% non-native cover and shall achieve at least 40% native cover.

Timeline (from the execution of the settlement agreement) with milestones and end dates and budget broken down into tasks:

	Task and Deliverables	End Date	Budget Estimate*
1	<u>De Anza Cove Program Environmental Impact Report Addition of Project Alternative</u> a) Draft PEIR (30 months) b) Final PEIR (36 months) c) Planning Commission Hearing Minutes (36 months)	36 months	\$400,000
2	<u>Additional Technical Studies for Mission Bay Park Improvements Project</u> a) Wave, Current, and Tide Study Report b) Particle Dispersion Study Report c) Oyster Restoration Feasibility Report	36 months	\$531,105
3	<u>Habitat Enhancement in Kendall Frost Reserve</u>	36 months	\$362,500

	a) Technical Work Plan (4 months) b) Landowner/Right of Entry Permission (4 months) c) Environmental Review/Permitting (6 months) d) Implementation Photo documentation (6-8 months) e) Maintenance and Monitoring report (12-18 months)		
	Total	3 years	\$1,293,605

** The City shall shift costs between components as necessary to fulfill the terms of the settlement agreement and complete required deliverables. Expenditures required for successful completion of activity will be allowed prior to final settlement agreement. The City understands funds expended towards these activities prior to final settlement is at the City's risk.*

Permitting Requirements:

The City of San Diego has begun the CEQA process for the De Anza Cove Amendment to the Mission Bay Park Master Plan. A Notice of Preparation of a PEIR was issued on June 11, 2018. The Planning Department is currently preparing a PEIR of a single proposed project under CEQA reflective of a recommendation by Mission Bay Park Committee (City Proposed Project); this SEP proposes to evaluate an additional project alternative for the PEIR. Stakeholders and the public will have an opportunity to comment on the restoration alternatives during the Draft EIR comment period. This planning effort would require hearing by the Planning Commission for a recommendation to the City Council as it involves a land use change with the Mission Bay Park Master Plan. It would then go on to committee and ultimately City Council.

The San Diego City Council will ultimately adopt either the proposed project or an alternative analyzed within the Program EIR for future restoration efforts. The PEIR will be certified and an amendment to the Mission Bay Park Master Plan for De Anza Cove will be adopted. Following the City's process, the Coastal Commission would then have jurisdiction to review the plan amendment as the Mission Bay Park Master Plan serves as the area's Coastal Development Plan.

The Mission Bay Park Improvement Plan PEIR is being developed concurrently with the De Anza Cove Master Plan Amendment. The Mission Bay Park Improvement Plan PEIR will include project level environmental analysis for projects throughout the entire Mission Bay Improvement fund zone. The certification of this EIR will streamline future environmental and permitting clearance for projects being implemented in Mission Bay. This SEP will contribute to both the programmatic environmental review (inclusive of technical studies) currently underway for the De Anza Cove Amendment PEIR and will contribute technical studies and analysis to contribute to the project level CEQA for northeastern Mission Bay within the Mission Bay Park Improvement Plan PEIR.

The additional technical studies are exempt from CEQA (15262).

The work proposed in KFR/NWP is anticipated to be exempt from CEQA. It is anticipated that some of the work (installing fencing along Crown Point Drive) would require a Coastal Development Permit. The scope of the enhancements/restoration would not result in the discharge of dredged or fill materials into a Water of the U.S or Water of the State and would therefore not require Clean Water Act 401 or 404 permit. The inclusion of a tidal gauge or other monitoring technology may be subject to coastal permitting. Following the finalization of the technical work plan, permits shall be obtained as necessary.

The future implementation of wetland restoration in Mission Bay will require permits from numerous agencies including the Army Corps of Engineers, Regional Water Quality Control Board, California Department of Fish and Wildlife and California Coastal Commission. Permits will be obtained following the completion of CEQA and restoration design.

Watershed(s) affected:

The project is located in the Penasquitos Hydrologic Unit (HU). The Penasquitos HU is approximately 170 square miles extending from Poway to La Jolla. The Penasquitos HU includes 2 coastal lagoons, Sorrento (Los Penasquitos Lagoon) and Mission Bay. Mission Bay is the downstream receiving water body for Tecolote and Rose Creeks.

Basis for additional funding from other sources:

Implementation of the selected project alternative can be funded through a combination of grant opportunities and City funds. The Mission Bay Park Improvement Fund is used for the restoration of wetlands and wildlife habitat as well as deferred maintenance projects within the Mission Bay Park Improvement Zone consistent with the Mission Bay Park Master Plan. Through voter-approved initiatives (Proposition C in 2008, and Measure J in 2016), the City created the Mission Bay Park Improvement Fund to develop, repair, and invest in assets within Mission Bay Park. The Mission Bay Park Improvement Fund identified a list of priority projects, including navigational and safety dredging, wetlands and water quality improvements, shoreline protection, expansion of preserves and habitat, and park facility improvements (playgrounds, comfort stations, parking lots, etc.). Future funding for implementation could come from projects needing mitigation if this is allowed. Additionally, several state and federal agencies have expressed interest in funding projects in Mission Bay. Numerous opportunities exist for additional funding for implementation which could include programs such as the U.S. Fish and Wildlife Service Coastal Program, State Coastal Conservancy Explore the Coast Program, or Community Wetland Restoration Grant Program.

Monitoring, success criteria, and other tools to track long-term success:

This project includes elements of planning, technical study and environmental review, and a component of implementation. The future large-scale restoration of wetlands in Mission Bay will

include the development of a long-term management plan. For this SEP, success criteria shall include tracking and reporting of scheduled milestones for completion of identified deliverables. Success criteria will be identified in the future restoration design drawings to ensure successful establishment of native wetland species in the restoration areas. Success criteria for the KFR/NWR include completion of initial removal of target invasive plant species, with less than 5% cover of invasive species in 17 acres of the reserve and restoration areas will obtain at least 40% native cover by the end of the 12-month maintenance period.

Description of how the project is resilient to climate change:

The project area is located in a vulnerable area, exposed to future sea level rise. Climate models project that sea level in the San Diego region will rise 5 to 14 times faster over the course of this century than it did during the previous 100 years, increasing the risks of flooding and erosion. Impacts will be greatest during coastal storms, when storm surge occurs on top of higher sea levels. (State Land Vulnerability Assessment, City of San Diego 2019). The creation and restoration of estuarine, marsh and transitional habitats in the planning area would provide a suite of ecosystem and resilience services. The addition of an expanded restoration alternative to the De Anza Cove PEIR provides an opportunity to increase climate change resiliency from sea level rise impacts. Wetlands provide erosion control and shoreline protection from flooding. Wetlands are also dynamic habitats that are resilient to changes in freshwater flows and will be designed to be adaptable to sea level rise through augmentation, accommodation, vertical accretion, or other habitat management strategies. Additional habitat areas would include transitional zones into higher elevation habitats and provide resiliency to changes in freshwater flows from altered storm water regimes. The City's 2015 Climate Action Plan identified the need for a standalone climate adaptation plan to help the City prepare for the impacts of climate change. Accordingly, the City is developing the *Climate Resilient San Diego (Climate Resilient SD)* Plan to address climate change hazards and ensure San Diego is ready for changes anticipated in the decades ahead. This City-wide effort is focused on four primary climate change hazards that pose special risks to the City: sea-level rise (including coastal flooding and erosion), extreme heat, changes in precipitation (including droughts and heavy rainfall), and wildfire. Building marshes to act as buffers to sea level rise has been identified as a measure to provide coastal resiliency to prevent coastal erosion and flooding. The Mission Bay planning studies and park improvement designs use the 2018 California Coastal Commission Sea-level Rise Policy Guidance and the 2018 California Ocean Protection Council State of California Sea-Level Rise Guidance for 2030, 2050, and 2100.

Applicant's ability/authority to receive and distribute funds:

The City has the ability to receive and distribute funds that are necessary to operate and conduct business, as the City is the landowner and jurisdiction with land use authority within the project area, outside of the Kendall-Frost Marsh. Within Kendall-Frost Marsh, the City will work with the University of California to obtain appropriate right-of-entry permissions prior to habitat enhancement efforts. The City Charter states: "*The Treasurer shall receive, have the custody of, and disburse City moneys upon the warrant or check-warrant of the Chief Financial Officer under*

the provisions of section 53911 of the Government Code of the State of California.” Per the San Diego City Charter, the City has the power to assess taxes, make appropriations, set budgets, and distribute funds, including the power to appropriate and distribute funds to cover the costs of the proposed project.

The Public Utilities Department provides water, wastewater, and recycled water services to approximately 1.4 million water customers and 2.3 million wastewater customers within the San Diego region. The Department's Capital Improvement Program (CIP) supports the infrastructure for reliable water supply and wastewater collection and treatment. These efforts are supported through an annual budget of \$947 million in operating funds and \$644 million in Capital Improvement Program funds for the current year.

The Sewer System holds AA and AA+ ratings and stable outlooks from Fitch and S&P, respectively, and has a strong liquidity position with an estimated 468 Days of Cash as of June 3, 2020. The Sewer System rating reports also confirm that the system's risk profile is extremely strong and *“has ample capacity for average and peak demand, stable and predictable revenue from the Municipal collection service, comprehensive asset management practices, and a good operations management framework”*.

The cost of the SEP project includes City staff time and contract costs (consultants and contractors). The City will track and monitor City staff time and contract expenses and report quarterly to the Board. Contracts will follow the City's procurement procedures which include competitive bidding and living and/or prevailing wage requirements.

Is the project to conduct work that is required by any entity/agency?

The proposed project is not work required by any other entity.

The Planning Department initiated stakeholder engagement and outreach in January 2016 for the De Anza Cove area (<https://www.sandiego.gov/planning/programs/parkplanning/deanza>). Multiple workshops, open houses, meetings and hearings have been held to solicit input on the revitalization of De Anza Cove. Community and stakeholder engagement has been extensive and has culminated in a proposed project being moved forward in the current revitalization plan and PEIR. The City has invested in multiple planning efforts in Mission Bay, with \$448,000 for Fiesta Island planning and \$1,206,000 to date in support of the De Anza Cove Amendment. This SEP would add funds to enable the addition of an alternative that includes more acreage of wetlands than the current plan in the De Anza Cove planning area. These funds in addition to the City's previous and current commitments to Mission Bay highlight the City's desire to prioritize Mission Bay and proactively plan for resource management in the future.

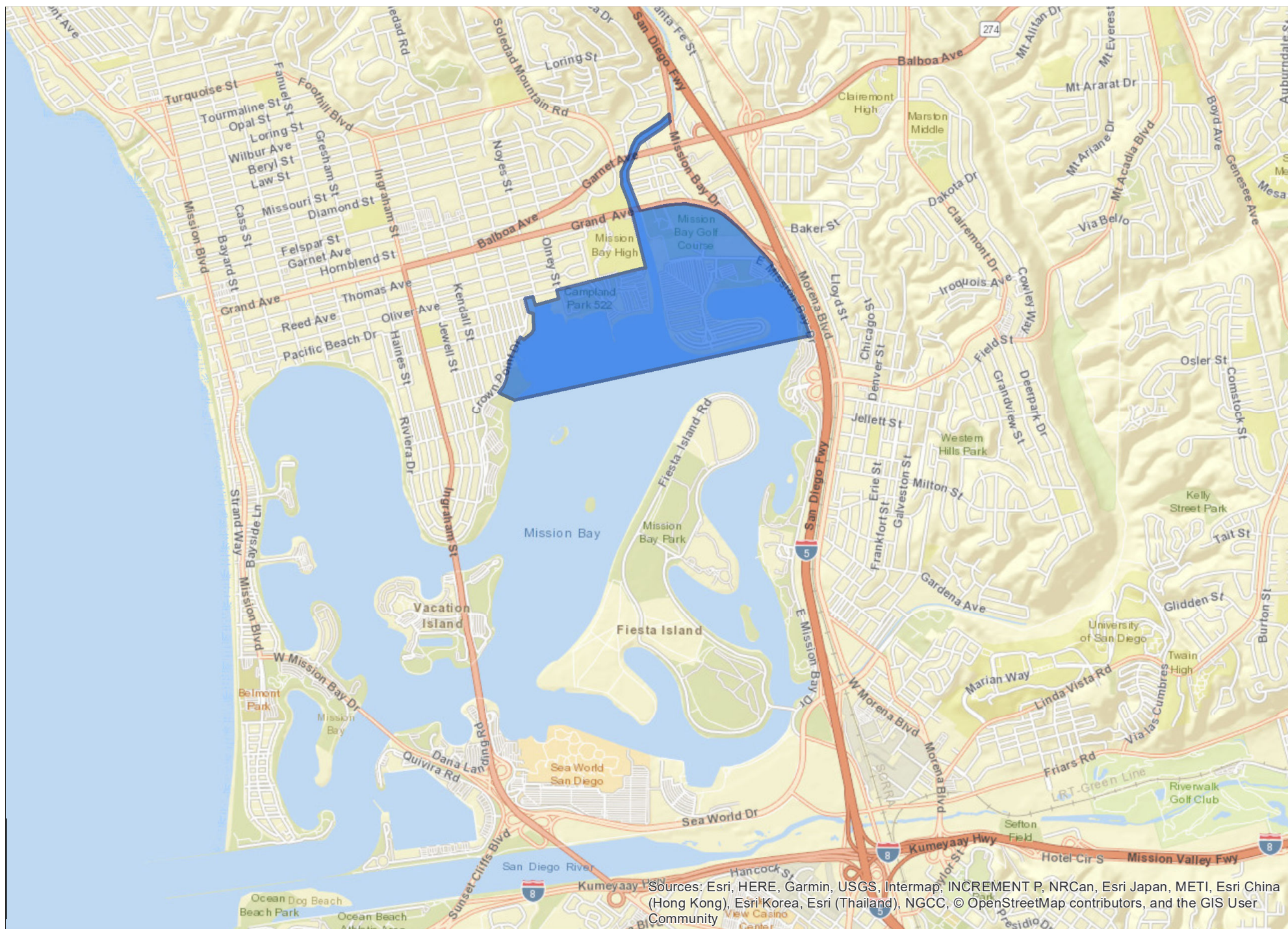
The Mission Bay Park Improvements Fund is being used to prepare engineering studies and the Mission Bay Park Improvements EIR. This SEP would add scope, detail and complete technical studies to a higher level of complexity than currently budgeted or anticipated as part of the existing planning effort. The City has invested \$8,213,759 from the Improvement Fund for preparation of

the PEIR. Money from the Improvement Fund will be used to fund the implementation projects in the future.

Information on the Mission Bay Park Improvement Fund and the process for ranking projects and prioritizing funding can be found on the City's webpage:

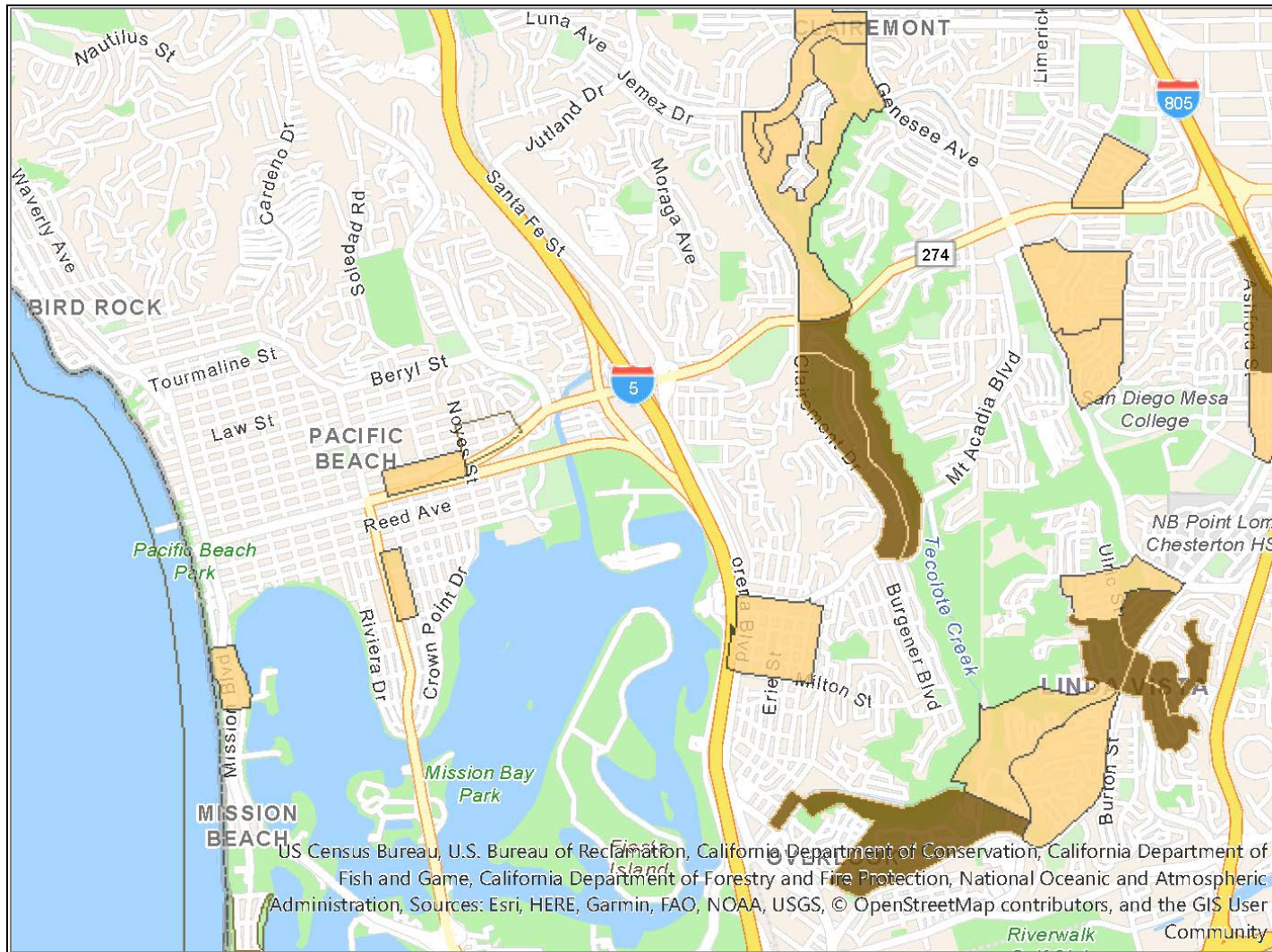
<https://www.sandiego.gov/cip/projectinfo/mbpeir>.

The goal of the supplemental planning effort proposed by this SEP is to further the restoration goals for Mission Bay. Without this SEP, an expanded wetland alternative would not be studied to an equal level of detail as part of the De Anza Cove PEIR and technical study would be delayed until after the De Anza Cove decision and after the Mission Bay Improvements PEIR. Having more detailed and technical information now improves the environmental review process and will help expedite the restoration of northeast Mission Bay.



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Figure

3

Department of Water Resources Disadvantaged Communities

